

United States military. Not one of 10 years ago or 6 years ago or 8 years ago or 3 years ago but a recent returnee from the combat zone of Iraq. I wanted everybody to get a chance to meet Miss Goodwin.

She has a new and wonderful baby. She was dishonorably discharged. But let me tell you her story because she is, in fact, not just a former war veteran, someone who spent nights with missiles and explosives around her surroundings, someone who was serving as other were fallen or wounded. This is how Nicole Goodwin travels these days, with a one-year-old daughter pressed to her chest in a snuggly, a heavy backpack strapped across her shoulders and a baby stroller crammed with as many bags of clothes and diapers as she can hold.

When and you are a homeless young mother these are the things that you carry. The story goes on to say, as it is called "Home From Iraq and Homeless," that now every day she soldiers on to find a residence where the rent is not covered by payment in kind of late bus rides and early morning rising to move from one shelter to the next. All the while she keeps in mind the acronym she earned or learned in the Army. Leadership. L is for loyalty. D is for duty. R is for respect. S is for selfless service. H is for honor. P is for personal coverage. And I is her favorite and that is for integrity.

A homeless veteran. A young woman with a child. A combat veteran is homeless and without a job. What can America say to its best and brightest who have come home from a war and they cannot find a job.

Let me just finish her story by saying a war veteran wearing a backpack, pushing a stroller and carrying a baby, stayed in another strange hotel room last night, mostly because the city of her birth does not know how to welcome her home.

Mr. Chairman, I would ask you tonight as we know that Miss Goodwin probably still walks the street and is homeless and is without a job. I would like to see the Congressional Black Caucus rally around her with certainly the members from her constituency to be able to ask the State why they cannot help an Iraqi war veteran, a young woman who now walks the street as we speak homeless with a daughter, without a job.

I yield to the gentleman for the opportunity to respond.

Mr. CUMMINGS. Madam Speaker, I wanted to make it clear that we will do that. We will rally around Miss Goodwin, but the sad part about it is Miss Goodwin is only one, and I am sure that there are many, many others and then the question becomes how do we make sure we rally around all of them. Because as you just said, with our men and women in bunkers in Fallujah and with them fighting and giving up their blood, sweat, tears and lives, and then for those who are able to come back and end up in situations like this or somewhat similar is a shame.

So, yes, we will rally around here but we must find ways to rally around the many others who are voiceless, who the New York Times never interviewed, the ones that will never appear on the front page of the Washington Post, the ones that you will never hear about on ABC News, those who we have to find and help.

Ms. JACKSON-LEE of Texas. Madam Speaker, I thank the gentleman. As we discussed, you were absolutely right. She is symbolic of millions, and what I would like us to be reminded of is we have a job, and that is why we need to have a leadership change in this country because in the State of Texas we are talking about 500 jobs lost in the month of March, but we are talking about 175,200 jobs lost since January of 2001.

We are talking about a Congress that is struggling to pass a transportation bill that will create jobs. We are talking about those who are incarcerated, African American males who come out having paid their time and not able to find jobs.

We are speaking as well about programs that have been cut, the Small Business Administration funding which creates jobs, and yet the budget from the Bush administration refuses to refund or add monies back to create those jobs that would come about. We need a common sense plan to recognize, one, that the budget and the economy is failing, but as well that we need a change in government, one that allows a President to promote jobs and to claim that he is concerned about people like Miss Goodwin and other homeless persons and others who are educated, without cause.

As I close, let me say that I thank the Chair for allowing me to speak and I thank the gentleman for having this special order to talk about the importance of jobs in America.

Mr. CUMMINGS. Madam Speaker, I thank the gentlewoman very much.

#### GENERAL LEAVE

Mr. CUMMINGS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this special order.

The SPEAKER pro tempore (Mrs. BLACKBURN). Is there objection to the request of the gentleman from Maryland?

There was no objection.

#### BALANCE THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Madam Speaker, I would like to address certainly different issues that I think are possibly more serious than a lot of challenges this Congress has faced, this Nation has faced in fact.

This is the 195th birthday of Abraham Lincoln, and in my district Republicans are celebrating Abraham Lincoln's birthday with their annual dinners. And I think of what Abraham Lincoln said in his Gettysburg Address when he indicated that, Can a country of the people, by the people and for the people long endure?

And now I am concerned about the system that we have in the United States where we have so many lobbying groups pushing for more money and a political system where Members of the House and the Senate often are better off and increase their probabilities of getting reelected if they start promising more programs, if they take home pork barrel projects that might allow them to be on the front page of the newspaper or on television and it ends up that they have more publicity if they spend more money down here.

And that has led us into a dilemma of overspending and overpromising. And I have put this pie chart up simply to review how the Federal Government now spends approximately \$2.4 trillion in the year that we are budgeting for right now.

We see the largest portion of our total spending pie that represents 21 percent of the total spending of the Federal Government is Social Security. But Medicare, which is now 12 percent, is going to overtake Social Security in terms of the percentage of total spending, total Federal Government spending that it consumes, and that is going to happen within the next 25 years.

Part of it is because we have dramatically expanded the Medicare program to now cover more benefits, including prescription drugs. And there is a problem with prescription drugs because if you are on Medicare and you do not have the proper drugs and you go into the hospital, then Medicare pays for all those prescription drugs while you are in the hospital. So to the extent that some of the new prescription drugs can keep you out of the hospital, it is reasonable to have some help from Medicare to furnish those drugs to keep you out of the hospitals.

But what we have done now is we have expanded the entitlement program in Medicare for prescription drugs without making strong changes to the programs that are going to keep the program solvent. So the actuaries in Medicare are estimating that the unfunded liabilities for Medicare now is approaching almost over \$60 trillion. In other words, over \$60 trillion would have to be put in a savings account today with returning the amount of interest that would represent inflation plus the time value of money to come up with enough money to continue to pay benefits and to have enough money over and above the FICA tax, the payroll tax that is contributing to the Medicare fund.

As we go around this pie chart, we see that defense is 20 percent, 2 years

ago it was about 18.5 percent. Going into Afghanistan and going into Iraq has increased about 1.5 percent of the budget now dedicated to defense. But still Social Security compared to defense, you see Social Security is much larger. Domestic discretionary is 16 percent. Other entitlements are 10 percent. Medicaid is now 6 percent. We were growing very quickly, and part of that is long-term health care.

So even if you are fairly diligent in saving during your working life and your early retirement years, if you have to go into a nursing home that is now costing between 40 and \$70,000 a year, it very quickly uses up those savings, and you have gone from a self-payer to a system of Medicaid.

□ 2015

Medicaid is the health care system for the low income, and Medicare is the health care system once you reach 65 for seniors, and I want to make a point over here at about four o'clock.

You see about 14 percent of that pie in that purple section; that is interest on the debt. Today's debt that is subject to the debt limit in the United States, the 14 percent, is now over \$7 trillion. In a few months, we are going to have to again vote in this Chamber and in the Senate, and the President is going to have to sign it, a bill that increases the debt limit of this country.

What does that mean? It means that somehow, we are pretending that our problems today are so great that it justifies us borrowing money from the earnings that our kids and our grandkids have not even received yet. We are borrowing money and passing this increased debt on to them to let them worry about servicing the debt; and right now, interest rates are at record lows.

When interest rates go up, and Alan Greenspan chairman of the Fed has suggested that is going to happen, we know it is going to happen. The 14 percent of the total Federal spending that is now used to pay the servicing of that debt, paying interest, could dramatically increase from two fronts. One is the increased rate that government is going to have to pay to entice people to loan money and buy Treasury bills; and of course, the second is that we are dramatically increasing the debt.

This country from 1776 till now, what, that adds up to about 228 years, it took the first 200 years of this country to amass a debt of \$500 billion, and now we are increasing our debt every year by an additional \$500 billion. So we are mounting the debt load that we are passing on to the next generation for the next several generations, and it is going to be intolerable if we do not control how much we are overspending, and even more significant is unfunded liabilities.

Unfunded liabilities, Madam Speaker, is what politicians promise that they are going to do in the future, for example, Social Security. We are promising to pay Social Security benefits,

and I would like everyone to know that there is no entitlement to Social Security. There is no account with your name on it. So you can work all of your 40, 50 years, you can pay into Social Security, but you are not automatically deserving of Social Security benefits based on the fact that you paid into it. It has gone to the Supreme Court twice, and twice the Supreme Court has ruled that Social Security taxes are simply another tax that is charged by legislation passed by the House and the Senate and signed by the President; and Social Security benefits are a benefit program that is not directly related to the fact that you have made payments in all of your life.

So that is one reason we should consider private savings accounts that are owned by the worker, that government cannot mess around with, for lack of a better description, and this is the messing around. Government has been taking all of the surplus from the Social Security trust fund and spending it for other purposes; and so we have continued over the years to expand the benefits of Social Security to the extent that today we have a \$12 trillion unfunded liability; and, again, that means that we are going to have to put \$12 trillion in a bank account today that is going to, over the next 75 years, earn about \$120 trillion, and this is what we are going to need for the next 75 years in future years' dollars, \$120 trillion in addition to the payroll tax that is coming in from existing workers to accommodate and to meet promised benefits that we have promised in the current Social Security legislation.

Medicare part A. Medicare part A is mostly hospitals, and the unfunded liability for Medicare part A is \$21.8 trillion. Medicare part B, mostly doctors, is \$23.2 trillion, and Medicare part D, the drug program that we passed last November, is \$16.6 trillion. This is the unfunded liability, what is going to be needed in addition to the money coming in for those programs; and on the Medicare drug program, it is interesting that Tom Savings, an actuary in Medicare, estimated last November that the unfunded liability for Medicare would be about \$7.5 trillion. The new estimate that came out last month is \$16.6 trillion, a huge liability to leave to our kids and our grandkids.

The unfunded liabilities, the generosity of this body, saying we are going to make all these kinds of promises and let our kids and our grandkids pay for it and we are going to continue to increase overspending in addition to these promises on Medicare and Medicaid and Social Security, in addition to that we are going to overspend. Last year, it was \$530 billion overexpenditure. This year it could very well get up to \$620 billion overexpenditure. Next year, another 520 to \$530 billion overexpenditure.

Overexpenditure means deficit spending; and the deficit spending every year you add that up, and it comes to the total debt, and somebody's going to

deal with if not paying back the debt, at least paying the interest on that increased debt, a huge challenge that is going to make life much tougher for our kids and our grandkids.

I am going to talk about Social Security and the Social Security bill that I have introduced. I was chairman of the bipartisan Social Security Task Force; and when Democrats and Republicans met and had witnesses, we brought in witnesses every week for close to a year, it was unanimous: Republicans and Democrats, everybody agreed, we have got to do something with Social Security; and the longer we wait to solve this program, the more drastic the solution is going to have to be.

And yet we do not do anything. We do not mention it, we do not mention the huge entitlement programs in our budget. We simply pass a budget every year, and now what is called the Gephardt amendment in our rules says that when we pass a budget, this is sort of a footnote, when we pass a budget, instead of bringing it up for a separate bill and debate, we will automatically consider a separate bill that increases the debt limit. It will be assumed to be passed when we pass a budget, so sort of hidden in that budget bill. So we really do not talk about the significance of increasing the debt on our kids and our grandkids and the tremendous challenge it is going to be to pay the interest on that debt, as well as trying to sometime, somehow, somewhere trying to pay some of that debt down.

This is sort of a quick tutorial on how Social Security works, and then I will go into what I have done in my Social Security bill to keep it solvent forever as scored by the Social Security Administration.

Benefits are highly progressive and based on earnings. That means the lower income you are through your working lifetime, as you pay in your Social Security tax a higher percentage, you will get back a lot more relative to what you earn than if you are higher income; and this is how this is going to work down here. At retirement, all of a worker's wages up to the tax ceiling are indexed to present value using wage inflation.

What we do is for your 35 best years, so if you are working 40 years you take your best 35 years of earnings, if you work 30 years, that means 5 years are scored as zero, as you add those 35 best years together and divide by 35, but in terms of indexing to present value, on wage inflation, wages double about every 11 years, and so that means if 11 years ago you were making \$20,000 and you score it 11 or 12 years later, you are scored as making \$20,000. So it is the kind of job that you had in earlier years and what the wages would be for that job today is what is credited, adding up your 35 best years on Social Security. Here is the progressivity.

The annual benefit for those retiring in 2004 equals 90 percent of earnings up to \$7,344. So if you are making \$7,344 or

less a year, you would get 90 percent of that back in Social Security payments if that was your average for the 35 years. For that amount over the \$7,000 up to the \$44,000, it is 32 percent of the earnings between the \$7,300 and the \$44,200, and then 15 percent of the earnings above \$44,268.

It might be good to just mention here that one of the ways that I keep Social Security solvent is slowing down the increased benefits for high-income retirees, and what I do, these are called ben points. What I do is add an additional ben point of 5 percent and say that higher-income earners over \$38,000 would get a return of 5 percent of those higher wages. So a low income would get 90 percent, and then it would go to 32 percent, 15 percent. Then I add another ben point of 5 percent.

I put this blip in because I think that a lot of people do not understand or have not figured out, should they retire at 62 and start earning benefits or should they wait till age 65. Based on average life expectancy, early retirees would get less. So at the average age of death, which is now 86 years old for a male and 88 years old for a female, the average earnings for those years, whether you retire at 62 or 65, would still amount to the same amount of payments back to you. In fact, if you wait 2 years to retire after 65, you can have an additional 4 percent added to your benefits for each one of those years. In terms of waiting until you are 66 or 67, you can have additional benefits if you wait an extra 2 years.

When I give speeches around Michigan and around the country, a lot of people say, well, I know people that are getting SSI, supplemental security income, payments on welfare, and they really do not deserve it; and I should not have to have that come out of my Social Security. Actually, the Social Security Administration runs the program, but it comes out of the general fund. It does not come out of the FICA tax. It does not come out of the Social Security trust fund.

This picture sort of represents the demographic problems. The birth rate is going down, and the age of death is going up, and since Social Security is a pay-as-you-go program, with existing workers paying in their tax, and within days that withholding from your paycheck is sent out to current retirees; and the problem is there are fewer workers working per retiree.

In 1940 we had about 36 workers working, paying in their Social Security tax to accommodate the needs of every one retiree. By 2000, the taxes had to go up, of course, because there were only three workers working to pay in their taxes to accommodate every retiree; and by 2025, there will be just two workers in the United States working to pay the benefits of every retiree.

□ 2030

The United States is heading towards a ratio of workers to senior citizens

that is going to continue to result in a pay-as-you-go program, like our Social Security System, to have it continue to be insolvent. So now we can play around the edges a little bit and say, well, let us increase taxes or let us reduce benefits. But even those kinds of decisions are going to eventually again keep the Social Security System from, in the long range, being solvent.

The birthrate. Well, of course, we have 78 million baby boomers, those born right after World War II, from about 1946 to 1965. We have 78 million of them that are going to start retiring in 5 years, and these are the people that are high-income now. So the 12.4 percent of their payroll brings a lot of money into the Social Security System. Again, as they retire, we lose those high-paying individuals, and they go out as recipients collecting the high payments as retirees, since there is a direct relationship, even though it is progressive, between what you pay in and what you take out.

I think it is important to sort of reflect historically on what we have done. Some people suggest, well, maybe the economy can help us. If the economy can come back stronger, we are going to have money. But that is not true, of course, because of the direct relationship of benefits to earnings. So if the economy increases even more rapidly than it is now and jobs expand, then we have more people paying into the system now, which means that there will be more money in the short run; but when they retire, because they are paying in more money now, they are going to take more benefits out when they retire to leave a deeper hole then. So it is going to take some structural changes to the program.

What this body in the House and what the Senate and what the President have done over the years when they needed a little more money for Social Security, they said, well, let us just increase taxes again. There is sort of a historical picture of taxes going from 1 percent to, in 1940, increasing it to 2 percent of the first 3,000, which meant a maximum tax of \$60 a year. In 1960, when we needed money, we increased the rate threefold to 6 percent, upped the base to \$4,800, for a total of \$288 a year. In 1980, we increased it again to 10.16 percent of the first \$26,000, roughly; and that amounted to \$2,631. In 2000, we increased it again to 12.4 percent, and that was of the first \$76,200 then. But since that is indexed, we have now upped that. By 2004, it has gotten up to 12.4 percent of the first \$87,900. Next year it is going to be 12.4 percent of \$89,000. And that will continue to be indexed to increase.

The point I am trying to make is that by delaying, by not paying attention to some of these very serious problems that are going to confront this country, I think, is in effect passing on a legacy to our kids and our grandkids that is going to mean that their lifestyle is going to be much less than the

opportunities that we have had in this country. We are saying to them, look, you are going to have to pay off our debts that we are borrowing today. So it is important to have a program that does not increase taxes, the FICA taxes, on payroll.

Madam Speaker, I would ask everybody that is listening to guess what the payroll taxes are right now in France. The payroll taxes in France, to accommodate their retired population, their senior population, is over 50 percent. That is one of the reasons why France is having such a problem competing. Because if a company has to pay a 50 percent payroll tax, that means they have two choices. To stay in business they either reduce wages to their workers, or they increase the price of their product to accommodate the extra taxes that they are paying. If they are increasing the price of their product, then of course they are less competitive to trade with other countries of the world. Germany just surpassed 40 percent.

I just think it is so important that we act on this huge challenge of correcting Social Security and that we not end up having another tax increase that is going to make our businesses at even a greater disadvantage.

Let me just put a footnote on that. We are concerned about losing jobs. A lot of it is because of our increased productivity to try to stay competitive. But our taxes on our businesses in the United States are about 18 percent higher than the taxes of our competitors in the G-7, in the other industrialized countries. So when we hear from this Chamber, quite often from this side of the aisle over here, let us increase taxes to accommodate some of the great needs that we have in our districts back home, and there are needs, there are unlimited problems, the question is how many of those problems should be the responsibility of the Federal Government and how many of those problems should be accommodated by borrowing more money or increasing taxes to put our businesses at a greater competitive disadvantage, and, of course, taking the money out of the pockets of the people that have earned, telling all the American citizens that they have to give more to the government to make the government stronger, making them less able to do the things that they want to do with their money.

We have had a system, and maybe I am philosophizing here a little bit, but our forefathers came up with a system in our Constitution in this country that in effect said that those that work hard and save and that try and invest and that go to school and use that education are going to be better off than those that do not.

But now we have sort of come with a philosophy for the last 25 years in this country where we are sort of dividing the wealth up. So we have got a tax system that is very progressive, where we take from the people that are successful and give to the people that are

not successful. So we are ending up with a situation where roughly 50 percent of the adult population in the United States pays less than 1 percent of the income tax. Fifty percent of the adult population in the United States, the lower-income earning 50 percent of the adult population in the United States, pays less than 1 percent of the Federal income tax.

So with a lot of people, they say, well, let us have a few more government services, because when there is more government services, we gain, because we are not paying in tax in the first place. So it is maybe a whole new discussion on Special Orders, but how do we change our tax system so that everybody has a stake in how big this government gets?

There are a lot of Members in the Chamber that react to that kind of pressure and say, well, I am going to take home more pork barrel projects, I am going to start more social programs, I am going to make more promises, even though we do not know where the money is going to come from to keep those promises.

Let me conclude by going over the provisions of the Social Security bill that I have introduced, and this is a bipartisan bill. I have both Republicans and Democrats on the bill. These are the six principles that I went by in designing my bill:

Number one. Protect current and future beneficiaries.

Number two. Allow freedom of choice, so that if you do not want to go in the program and want to stay with what we have now, you have that option.

Three. It preserves the safety net, and so the Social Security TRUST FUND, where now we have IOUs of \$1.4 trillion, that is the \$1.4 trillion where the Congress, the House and the Senate, and the President have taken the surpluses coming in from Social Security and spent it for other government programs. So I do not spend all of that trust fund money. I save half of it and only use half, obviously, to make the transition to start getting some real returns on some of the money that is paid into Social Security.

Four. Make Americans better off and not worse off.

Five. Create a fully funded system.

And Six. No tax increases.

Madam Speaker, it is interesting that in looking in the archives, that in 1934, Franklin Delano Roosevelt thought it was very important to stop the number of hardship seniors that were, if you will, as Will Carlton says, going over the hill to the poor house. So instead of having so many people depending on going over to a poor house and having very meager, very difficult retirement years, he said, well, let us have a program, a system where we require savings of some of your earnings while you are working and set that aside so that you cannot use it until you retire so you have a little more social security when you retire.

So the House passed a bill following FDR's recommendation; and it said government will keep all the money and then pay the benefits when the time comes, when the individuals turn 65 years old. The Senate passed a bill, however, that said, well, we are going to do the same thing, but instead of government keeping all the money, we are going to have the accounts in individuals' names, where the individuals own that account. But if they die before age 65, it is still money that will be passed on to their heirs. But there will be a rule that they cannot take that money out of that special account until they turn 65 years old.

What is interesting is that the average age of death, up until about 1940, the average age of death was 62 years old. But the program says you cannot have Social Security benefits until you are 65. When the House and the Senate went to conference committee, we went with the House version that said government is going to handle all the money. And it worked very well for many years. We only had to start increasing the tax in 1940, because the average age of death was 62. So most people died before they became eligible for Social Security. So the pay-as-you-go program worked very well.

Here is my bill. It has been scored by the Social Security Administration actuaries to restore the long-term solvency of Social Security.

There is no increase in the retirement age. No changes in the COLA, the annual cost of living index that we increase payments to COLA. And there is no change in the benefits for seniors or near-term seniors.

Solvency is achieved through higher returns from worker accounts and slowing the increase in benefits for the highest-earning retirees.

Right now, Social Security is not a good investment. The average return for retirees in Social Security is 1.7 percent. And what we do in our legislation is we guarantee that if you decide on a personal retirement account that you own, and that is going to be optional, but we will guarantee that you will get as much payments in your retirement years from having an account as you will if you did not have an account, but the option is still up to the individual.

The Social Security trust fund continues. Voluntary accounts would start at 2.5 percent of your income and would reach 8 percent of income by the year 2075. A long time.

My first bill that I introduced, and this is the fifth Social Security bill I have introduced that has been scored by the actuaries to keep Social Security solvent, but in 1993 and 1994, the legislation did not have to borrow any extra money from the general fund of government. It did not have to wait until 2075, until we upped the amount that you are going to be allowed in your own savings account.

□ 2045

But now it is a little more drastic. If we wait another 4 years, it is going to

even be more drastic. If we wait more than 4 years to solve Social Security, then plan on a higher Social Security tax. Increased taxes will be on somebody someplace because there is no other way to accommodate it. Investments would be safe, widely diversified and investment providers would be subject to government oversight. It is sort of a copy of what Federal Government employees have now in their thrift savings account. They have several options, indexed bonds, indexed stocks, indexed cap funds. So very low risk, but it starts growing up in your account and the magic of compound interest means that you can be a modest earning worker but you can retire as a millionaire.

Part of my persuasion I hope today, Mr. Speaker, is to encourage everybody to start saving, to let these savings grow and not live sort of the satisfying our needs of today and hoping that somebody else will take care of us in the future. You are going to need something probably in your retirement years in addition to Social Security if you are under 45 years old now.

The next blip is the government would supplement the accounts of workers earning less than \$35,000 to ensure they build up significant savings. Actually I sort of copied this from our former President, President Clinton, from his U.S. savings accounts. So that even low-income workers can have a little more in their savings account to result in the magic of compounding to give them more money in these accounts. These accounts belong to the workers.

All worker accounts would be owned by the worker and invested through pools supervised by the government. Regulations would be instituted to prevent people from taking undue risks, so you would have limited investment opportunity. Workers have a choice of three safe indexed funds with more options after their balance reaches \$2,500. So it is very limited until you have at least a balance of \$2,500, then in my legislation additional safe investments as determined by the Secretary of Treasury would be allowed for individuals once they hit the plateau of having \$2,500 in their own retirement savings account. This, of course, is what you get from the savings account. Right now as I mentioned, Social Security has a return of 1.7 percent. So in effect anything you can earn from that savings account in excess of that 1.7 percent would add over and above what you would otherwise get from Social Security.

Worker accounts. Accounts are voluntary and participants would receive benefits directly from the government along with their account balance. There is a provision that I do not have on the board but at such time over age 55 that you buy an annuity to, in effect, guarantee that your retirement income is going to be at least what Social Security would pay you and that you are not going to ask other taxpayers to help you later on, then you

would have the option of investing your personal retirement savings account in anything you want to invest it in, or if you want to start using it. The government benefit would be offset based on the money deposited in their accounts, not on the money earned. And workers could expect to earn more from their accounts than from traditional Social Security. That is why we can guarantee that the 1.7 percent that you get from Social Security, that is why we can guarantee that you will get at least as much earnings as you would have from Social Security.

Here is a provision that I put in. My politically astute colleagues tell me that it is not politically correct to say fairness for women. I should say fairness for lower earning spouses that might be staying home with children. But these three changes for married couples, account contributions would be pooled and then divided equally between the husband and wife. So for your personal savings account, if one spouse is earning twice as much as the other spouse and so, therefore, is eligible to put more money into the personal savings account, you add what each spouse can put into the personal savings account, you divide by two, and so each spouse owns an identical amount that goes into their personal savings account every pay period, every month, every year. It would increase surviving spouse benefits to 110 percent of the higher earning spouse's benefit. Right now the surviving spouse is entitled to 100 percent of the higher benefit. But even that amount often requires that these individuals move out of their home into more expensive nursing home care as they shift from Medicare to Medicaid. And so what kind of provisions can we have to encourage people to stay in their own homes, which is so much lower cost than if they go to a nursing home?

Stay-at-home mothers with kids under 5. Maybe this is just a personal opinion of mine, but I put it in the legislation that stay-at-home moms, staying home with kids under 5, would receive a credit as if they were working years at the higher earning salary when their Social Security benefits are calculated.

These are some other areas, simply to try to increase and stimulate more people to think about their retirement. Number one, increase contribution limits for IRAs and 401(k)s and pension plans; two, a 33 percent tax credit for the purchase of long-term care insurance, up to \$1,000, \$2,000 for a couple per year; and low-income seniors would be eligible for a \$1,000 tax credit for expenses related to living in their own homes, or if they are living with their kids or somebody else, whoever they are living with could receive that \$1,000 tax credit, reimbursable tax credit on their income tax.

Let me conclude, Mr. Speaker, by just urging my colleagues to face up to this challenge. More than that, this is an election year for both Members of

the House and roughly a third of the Members of the Senate. So every time you have an opportunity to go and hear a candidate or talk to a candidate, ask them what they are going to do about the problem of Social Security running out of money. Ask them what they are going to do about the huge unfunded liabilities of Medicare and Medicaid. Ask them what they intend to do about increasing the debt of this country to the extent that we are asking foreign countries now to help pay for our debt.

We have about a \$500 billion trade deficit. What that means is that we send out \$500 billion to other countries more than they send to us when they are buying our goods. What happens to that \$500 billion? It is American dollars. They are not good anyplace unless they end up in America. What other countries are doing now with that \$500 billion is buying our Treasury bills, they are buying our companies through stocks and equities, and that additionally leaves us in a very precarious situation to be that vulnerable to some of these countries.

China, for example. I just returned from China. I am concerned about some of their what I perceive to be violations of the WTO agreements, their trade agreements. We have a deficit with China of about \$100 billion. China right now sometimes puts some of that money, in effect, under the mattress to hold it out there. Sometimes it buys Treasury bills. This country has accumulated enough that if they pulled their money out of Treasury bills or out of our stock market, it could dramatically affect the economy of the United States.

So as we cavalierly overspend, as we increase promises to increase the unfunded liabilities, we are not only making our children more vulnerable in the kind of taxes they are going to pay but we make the future of America more vulnerable to what other countries might do. If, for example, other countries decide that there is a better place to invest their money than the United States because the United States is less dependable and starts paying a lower return and they decide to invest it someplace else or they decide for political purposes that they want to negotiate trade deals by saying, Look, we're going to pull our trillions of dollars out, that is going to disrupt your economy because we just don't want to do business with you unless you agree to our trade deal or to our other political deal or to our whatever deal. Let us not allow ourselves to continue down this road of leaving our kids and our grandkids a bigger debt.

I am a farmer from southern Michigan. Traditionally what we have always figured on the farm, what my grandfather taught my dad, what my dad taught me is you try to pay off some of the mortgage on the farm to let your kids have a little better life than you have had. But in this Chamber and over in the Senate and in the White House, we are doing just the op-

posite. We are mounting up that mortgage. We are mounting up that debt and making the future of our kids and our grandkids more vulnerable.

#### IRAQ WATCH

The SPEAKER pro tempore (Mr. CARTER). Under the Speaker's announced policy of January 7, 2003, the gentleman from Washington (Mr. INSLEE) is recognized for 60 minutes.

Mr. INSLEE. Mr. Speaker, I have come tonight to discuss the challenge for America in the Iraq war. Some may know that a group of my colleagues and myself have been discussing this challenge now for several months on the floor of the House, once a week. We style this the Iraq Watch. The reason we come to the floor, sometimes as late as midnight, is that this really is a challenge and it demands that Congress be involved and not sit on the sidelines of this issue. This issue is too important, it is too deadly, it is too contentious for Members of Congress to simply take a pass and have responsibility only rest in the executive branch, the President's branch of the United States Government. So we have come once a week to talk about how to pursue a meaningful, commonsense, successful policy in Iraq. Hopefully I will be joined by some colleagues a little later in the evening.

I would like to start by just giving a background about why this is so important and why it is so important for Members of Congress to address the Iraq issue and not walk away from it. The answer is simply an example many Members of Congress have had, that I have had, of visiting a few weeks ago with a family in Bremerton, Washington, who the father and the husband was serving in Iraq proudly as a sergeant in the United States Army a few months ago. He was involved in a sweep mission near the Tigris River. A boat overturned, he went to aid, to try to save an Iraqi who was serving in forces with the U.S. Army. Unfortunately, he drowned while doing his duty. Like so many others in Iraq, a hero.

We now have lost since the war began 725 Americans, since the capture of Saddam Hussein 264 Americans, since May 31, 2003, and the President declared that the mission was accomplished, 585 Americans. We have had, total wounded, 4,151 Americans, many with very, very severe injuries, many which I have visited in Walter Reed and Bethesda.

Our losses demand that the U.S. Government pursue a policy that is not based on half truths but all the truth, not on partial planning but full planning, not on a policy based just on wishes and dreams and hopes and even faith but based on meaningful plans, strategic decisions that are based on the hard realities in Iraq.

Unfortunately, the truth is, and it is hard to say, that our policy in Iraq has not fit the extent of the heroism put